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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: July 18, 2007

Bawag Trial to Focus on Billion-Euro Losses

¶1. On the third day of the bank Bawag trial, presiding judge Claudia Bandion-Ortner is expected to question the defendants on how the formerly union-owned bank incurred the vast losses of about 1.4 billion Euros between 1998 and 2000. Yesterday, all nine former bank officials, including ex-CEO Helmut Elsner and investment banker Helmut Floettl, pleaded "not guilty" to charges of fraud and false accounting.

Like all Austrian media, mass-circulation tabloid Kronen Zeitung reports on the bank Bawag trial underway in Vienna, and suggests that defendant and former bank CEO Helmut Elsner "for the first time showed a trace of self-criticism." In his first statement in court he admitted to having made "a few wrong decisions," and simultaneously tried to stand up for his co-defendants. He was "absolutely certain" that the entire management, the board of directors' president and the accountant always acted in the interest of the bank at given moments in time."

Gusenbauer on Residence Rights

¶2. Austrian Chancellor Alfred Gusenbauer from the SPOe said yesterday that immigrants, who have been living in Austria legally for more than ten years and who are well integrated, should be granted residence rights. His comments are in sharp contrast to the views held by Interior Minister Platter from the OeVP, who is pushing for a tougher approach on the issue.

Speaking in Bregenz, Vorarlberg, yesterday, Alfred Gusenbauer said that the SPOe's position on immigration was clear: "Before admitting new people into the country, you should allow those to stay who are already integrated," ORF online news quotes the Chancellor. "You need a more humane approach," Gusenbauer stressed, and suggested that immigrants, who have been living legally in Austria for a long time and have "observed our laws, should have the right to stay." The Chancellor also proposed that Interior Minister Platter should first consider cases of immigrants who have lived in Austria for more than ten years. It was also necessary to look at whether a solution can be found that is compatible with the Interior Minister's portfolio, otherwise, the law on immigration and alien rights would have to be changed, according to Gusenbauer.

Libya: Death Sentences Commuted

¶3. The death sentences on five Bulgarian nurses and one Palestinian doctor convicted of infecting Libyan children with HIV/AIDS have been commuted to life in prison by Libya's High Judicial Council.

The ruling came after the families of the 438 children agreed to a compensation deal. Welcoming the move, EU Foreign Relations Commissioner Benita Ferrero-Waldner said she was "relieved about the decision." She also emphasised that she "now expects steps will be taken to initiate the process of transferring the six medics to Bulgaria."

Liberal daily Der Standard says that by converting the death sentences into life imprisonment, with terms to be served in the medics' home country Bulgaria, Libya is trying to resolve the crisis. Bulgaria and the European Union are meanwhile pushing for the nurses and doctor's extradition to Bulgaria. Similarly, State Department spokesperson Sean McCormack underscored that the Libyan government must find a way to return the medical personnel to their home country, ORF online news quotes.

North Korea Has Shut Down Reactor

¶4. North Korea has shut down all five nuclear facilities at its Yongbyon reactor complex, according to IAEA Director General Mohamed ElBaradei. Pyongyang shut down the only working reactor at Yongbyon on Saturday. As negotiators are gathering in Beijing for a new round of six nation talks, US envoy Christopher Hill has said concerns about possible secret uranium enrichment activities in North Korea are an ongoing issue, says centrist daily Die Presse.

Lukewarm Response to Mideast Initiative

¶5. The new initiative put forward by US President George Bush for a Middle East peace conference later this year has been met with skepticism. According to experts, the planned meeting on working towards resolving the Israeli-Palestinian conflict, is "simply too little, too late." James Zogby, head of the Arab American Institute, argues that both Palestinian President Mahmoud Abbas and Israeli Premier Ehud Olmert are now too weak politically, and that the United States "should have acted when Abbas was newly elected, and still had the support of the majority of Palestinians." In an analysis of the situation in the Middle East, semi-official daily Wiener Zeitung suggests that the "weakened Palestinian President Mahmoud Abbas has become the West's great white hope." It is a "tightrope walk for Abbas and his Fatah movement: They need to convince the Palestinians in Gaza that they can do better than the Hamas-led government, which in the past year and a half merely succeeded to completely isolate the Palestinians. At the same time, Abbas must avoid the impression of being dependent on the West. Here's where the US President apparently comes in with his plan for a Middle East conference and his push to get moderate Arab states like Jordan and Egypt on board. But the only chance for the moderate forces to prevail is if a solution emerges in the Israeli-Palestinian conflict that has the support of a united and broad front. Such a solution, however, is still a long way off."

US President Contradicts Intelligence Services On Al Qaeda

¶6. US President George Bush has indirectly contradicted the recent US intelligence analyses warning that al Qaeda has recovered its strength. "Al Qaeda is strong today, but not nearly as strong as before the September 11 attacks," President Bush told UN Secretary General Ban Ki Moon. The US President added that the terrorist organization would be even stronger today if the United States and its allies had not "stayed on the offensive" and kept putting pressure on al Qaeda, according to ORF online news.

McCaw